

**Texas Department of Insurance, Division of Workers' Compensation**

Medical Fee Dispute Resolution, MS-48

7551 Metro Center Drive, Suite 100 • Austin, Texas 78744-1609

MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION**PART I: GENERAL INFORMATION**

Requestor's Name and Address: WALLS REGIONAL HOSPITAL 3255 W PIONEER PKWY ARLINGTON TX 76013-4008	MFDR Tracking #:	M4-07-5004-01
	DWC Claim #:	
	Injured Employee:	
Respondent Name and Box #: Amcomp Assurance Corp. Box #: 34	Date of Injury:	
	Employer Name	
	Insurance Carrier #:	

PART II: REQUESTOR'S POSITION SUMMARY AND PRINCIPLE DOCUMENTATION

Requestor's Position Summary: "This is an outpatient surgery and understanding TWCC wants to move to a hospital reimbursement based on Medicare, we are asking for %-over-Medicare. We have found 140% of the Medicare allowable is fair and reasonable and has been accepted by most carriers."

Principle Documentation:

1. DWC 60 Package
2. Total Amount Sought - \$1,185.12
3. Hospital Bill
4. EOBs
5. Medical Records

PART III: RESPONDENT'S POSITION SUMMARY AND PRINCIPLE DOCUMENTATION

Respondent's Position Summary: "It is this carrier position that no additional reimbursement is due for the following reasons: First, the requester was initially reimbursed based on two days inpatient hospital stay rate of \$1,118 per day. It is this carrier's position that reimbursement in excess of an inpatient stay is not reasonable."...
"Secondly, the requester's argument, 'We have found 140% of the Medicare allowable is fair and reasonable and has been accepted by most carriers', is not supported or documented in this dispute packet or by historical review of Division of Workers' Compensation, formerly Texas Workers' Compensation, rules or rulemaking process."...
"Thirdly, the requester also noted that reimbursement in the amount \$1,089 for code C1713 had been received. The Medicare outpatient prospective payment status indicator² for the code C1713 is 'N' which means the costs have been bundled into the APC payment amount for another procedure. No separate payments are made for codes with 'N' status indicators. Therefore, no additional reimbursement is necessary to achieve the Medicare APC rate as the request has received \$3325. Lastly, review of the American Hospital Directory for Harris Methodist Walls Regional Hospital³ supports that the requestor is accustomed to receiving 20% of the amount billed."...
"In conclusion, it is this carrier's position that no additional reimbursement is due and the requestor has not supported their position."

Principle Documentation:

1. Response to DWC 60

PART IV: SUMMARY OF FINDINGS

Date(s) of Service	Denial Code(s)	Disputed Service	Amount in Dispute	Amount Due
10/11/2006	214, 510, TC, 304, B15, W10, W4, B13, W3	Outpatient Surgery	\$1,185.12	\$0.00
Total Due:				\$0.00

PART V: REVIEW OF SUMMARY, METHODOLOGY AND EXPLANATION

Texas Labor Code § 413.011(a-d), titled *Reimbursement Policies and Guidelines*, and Division Rule at 28 Texas Administrative Code §134.1, titled *Medical Reimbursement*, effective May 2, 2006 set out the reimbursement guidelines.

1. For the services involved in this dispute, the respondent reduced or denied payment with reason codes:
 - 214 – “75% of Reasonable & Customary Charge”
 - 510 – “Payment Determined”
 - 304 – “Submit Supply House Invoice for additional payment”
 - B15 – “Procedure/Service is not paid separately”
 - W10 – “Payment based on fair & reasonable methodology”
 - W4 – “No additional payment allowed after review”
 - B13 – “Payment for service may have been previously paid”
 - W3 – “Additional payment on appeal/reconsideration”
2. This dispute relates to outpatient surgery services provided in a hospital setting with reimbursement subject to the provisions of Division rule at 28 TAC §134.1, effective May 2, 2006, 31 TexReg 3561, which requires that, in the absence of an applicable fee guideline, reimbursement for health care not provided through a workers’ compensation health care network shall be made in accordance with subsection §134.1(d) which states that “Fair and reasonable reimbursement: (1) is consistent with the criteria of Labor Code §413.011; (2) ensures that similar procedures provided in similar circumstances receive similar reimbursement; and (3) is based on nationally recognized published studies, published Division medical dispute decisions, and values assigned for services involving similar work and resource commitments, if available.”
3. Texas Labor Code §413.011(d) requires that fee guidelines must be fair and reasonable and designed to ensure the quality of medical care and to achieve effective medical cost control. The guidelines may not provide for payment of a fee in excess of the fee charged for similar treatment of an injured individual of an equivalent standard of living and paid by that individual or by someone acting on that individual’s behalf. It further requires that the Division consider the increased security of payment afforded by the Act in establishing the fee guidelines.
4. Division rule at 28 TAC §133.307(c)(2)(F)(iii), effective December 31, 2006, 31 TexReg 10314, and applicable to disputes filed on or after January 15, 2007 requires that the request shall include “a position statement of the disputed issue(s) that shall include”... “how the Labor Code, Division rules, and fee guidelines impact the disputed fee issues”... This request for medical fee dispute resolution was received by the Division on April 13, 2007. Review of the requestor’s position statement finds that the requestor has not discussed how the Labor Code, Division rules and fee guidelines impact the disputed fee issues. The Division concludes that the requestor has not completed the required sections of the request in the form and manner prescribed by the Division as required by Division rule at 28 TAC §133.307(c)(2)(F)(iii).
5. Division Rule at 28 TAC §133.307(c)(2)(G), effective December 31, 2006, 31 TexReg 10314, applicable to requests for medical fee dispute resolution filed on or after January 15, 2007, requires the requestor to provide “documentation that discusses, demonstrates, and justifies that the amount being sought is a fair and reasonable rate of reimbursement in accordance with §134.1 of this title (relating to Medical Reimbursement) when the dispute involves health care for which the Division has not established a maximum allowable reimbursement (MAR), as applicable”... This request for medical fee dispute resolution was received by the Division on April 13, 2007. The requestor’s position statement asserts that “We have found 140% of the Medicare allowable is fair and reasonable and has been accepted by most carriers.” However, the requestor did not submit documentation (such as redacted EOBs showing typical insurance payments) to support that this methodology has been accepted by most carriers. The requestor did not discuss or explain how it determined that 140% of the Medicare rate would yield a fair and reasonable reimbursement. Nor did the requestor submit nationally recognized published studies, Division medical dispute decisions, documentation of values assigned for services involving similar work and resource commitments, or other evidence to support the proposed methodology. The requestor has not discussed how the proposed methodology would be consistent with the criteria of Labor Code §413.011, or would ensure similar reimbursement to similar procedures provided in similar circumstances. The requestor further asserts that “Medicare would have allowed this facility at the APC rate of \$2,592.03 for APC 052 for CPT 23420.” However, the requestor did not submit documentation to support how the APC 052 payment classification was determined for the services in dispute, nor did the requestor provide documentation to support the Medicare payment calculation. Review of the documentation submitted by the requestor finds that the requestor has not discussed, demonstrated or justified that the payment amount sought is a fair and reasonable rate of reimbursement in accordance with 28 TAC §134.1. The request for additional reimbursement is not supported.
6. The Division would like to emphasize that individual medical fee dispute outcomes rely upon the evidence presented by the requestor and respondent during dispute resolution, and the thorough review and consideration of that evidence. After thorough review and consideration of all the evidence presented by the parties to this dispute, it is determined that the submitted documentation does not support the reimbursement amount sought by the requestor. The Division concludes that the requestor failed to meet its burden of proof to support its position that additional reimbursement is due. As a result, the amount ordered is \$0.00.

PART VI: GENERAL PAYMENT POLICIES/REFERENCES

Texas Labor Code § 413.011(a-d), § 413.031 and § 413.0311
28 Texas Administrative Code §133.307, §134.1
Texas Government Code, Chapter 2001, Subchapter G

PART VII: DIVISION DECISION AND/OR ORDER

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code §413.031, the Division has determined that the Requestor is not entitled to additional reimbursement for the services involved in this dispute.

DECISION:

Authorized Signature

Medical Fee Dispute Resolution Officer

Date

VIII: YOUR RIGHT TO REQUEST AN APPEAL

Either party to this medical fee dispute has a right to request an appeal. A request for hearing must be in writing and it must be received by the DWC Chief Clerk of Proceedings within **20** (twenty) days of your receipt of this decision. A request for hearing should be sent to: Chief Clerk of Proceedings, Texas Department of Insurance, Division of Workers Compensation, P.O. Box 17787, Austin, Texas, 78744. **Please include a copy of the Medical Fee Dispute Resolution Findings and Decision** together with other required information specified in Division Rule 148.3(c).

Under Texas Labor Code Section 413.0311, your appeal will be handled by a Division hearing under Title 28 Texas Administrative Code Chapter 142 Rules if the total amount sought does not exceed \$2,000. If the total amount sought exceeds \$2,000, a hearing will be conducted by the State Office of Administrative Hearings under Texas Labor Code Section 413.031.

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.